

Dennis Denton

June 20, 2006

Federal Trade Commission/Office of the Secretary, Room H-135 (Annex W)

Re: Business Opportunity Rule, R511993

600 Pennsylvania Avenue, NW

Washington, DC 20580

RE: Business Opportunity Rule, R511993

Dear Sir or Madam:

I am writing this letter because I am concerned about the proposed Business Opportunity Rule referenced above. I understand that part of the FTC's responsibility is to protect the public from unfair and deceptive practices, but in its present form, this rule casts a broad and restrictive net over a whole industry in order to control the minority that gives this industry a bad reputation. Every day we must counter the negative image and uninformed perceptions surrounding a legitimate business model that result from the actions of the minority. This rule, in its present form only reinforces these negative perceptions, and will make it difficult if not impossible for legitimate companies like Sunrider, International and distributors like myself to continue to pursue our business activity in a reasonable, efficient manner. This rule will have unintended consequences to the legitimate businesses and distributors, while those individuals and companies that are deceptive in their practices and operating scams will find ways to circumvent or just ignore the rules, just as they do now.

While I have no direct evidence, I also suspect that there individuals and corporate entities that have a hidden agenda to seriously hurt the Direct Sales and Network Marketing industries for their own economic gain and are supporting the particulars of this rule.

The disclosure requirements of the proposed Business Opportunity Rule, those being the seven day waiting period, litigation information and reference disclosure are confusing, burdensome and intrusive.

For example, the seven day waiting period gives the impression to the perspective buyer that there is something wrong with the business plan. It also sets up a administrative burden of keeping records and then having to send numerous reports to company headquarters. A legitimate company, like Sunrider, does not require mandatory purchases to become a distributor, gives a reasonable return policy (60 days in Sunrider's case) and a buy back policy on all products purchased within the last 12 months. It would make more sense to me to set similar standards to protect the prospective buyer than to set up a burdensome record keeping requirement.

I also have a problem with the release of any litigation information about lawsuits involving misrepresentation and deceptive practices. In today's litigation happy society, anyone can sue anyone for anything. It doesn't matter whether a company is found guilty or not. The fact that they were sued is the information that hangs around forever. The disposition of the suit never gets publicity. With the advent of the internet, these allegations pop up all the time, but the resolution never gets the same disclosure. Unless a company is actually found guilty of some infraction or unfair practice, these lawsuits should not be subject to disclosure, otherwise a company is put at an unfair advantage.

The proposed rule regarding disclosure of a minimum of 10 prior purchasers doesn't seem to be a problem on the surface, but I am reluctant to give out personal information of individuals that I have a business relationship to strangers, certainly without their approval. People are very concerned about privacy and identity theft and the requirement to tell a prospective buyer that " their contact information can be disclosed in the future to other buyers" may prevent many people from wanting to sign up as a salesperson. In addition, disclosure of this information could damage the business relationship of the references who may be involved in other companies or businesses including those of competitors.

I have been a Sunrider Disrtibutor for nearly 8 years and it has been a very positive experience. I enjoy the products and I have the opportunity to supplement my income in an honest way and with integrity. Direct sales and network marketing are legitimate business models and millions of people are dependent on this activity to supplement their income.

I believe this rule will have many unintended negative consequences to what is a legitimate business activity. I appreciate that the FTC's objective is to protect consumers, but there are less burdensome alternatives to achieve the same goal.

Thank you for considering my comments.

Sincererly,

Dennis Denton